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Voters, Legislators and Bureaucracy: Institutional Design in the Public Sector

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The purpose of this paper is to outline a theory of representative democracy which explains why rational actors construct an excessively bureaucratized government. We define excessive bureaucratization as the selection of an inefficient production technology for the public sector, characterized by relative factor proportions that entail more bureaucracy than the proportions that would minimize total costs. Thus, the question of excessive bureaucracy is related to but conceptually different from whether a particular policy is worthwhile. Furthermore, it presumes a concern more fundamental than the observation that implementing a public policy inevitably requires the expenditure of scarce resources.

Section I describes a theory formally presented in the authors' forthcoming article. Section II develops the predictions of the theory, most of which have not been tested. Section III outlines reforms that might undo some of the effects that the theory predicts.

I. The Theory: A Voter's Dilemma

We assume that in choosing among alternative political actions, voters, bureaucrats, and politicians pursue their self-interests. For voters, this means casting votes in a manner that maximizes expected utility, given the platforms of competing candidates. For bureaucrats, this means maximizing some measure of the size of the bureaucracy. For politicians, this means maximizing the probability of election.

Politicians can affect the welfare of individual voters in three ways. First, some of the arguments of utility functions are government activities. Second, government redistributes income through taxation, subsidization, and expenditures on the production of public goods. Third, government bureaucracies, in carrying out public policies, impose costs on citizens by ensnarling them in red tape.

We assume that government activities can be characterized by a production function, the arguments of which can be usefully classified into bureaucratic and nonbureaucratic inputs. Bureaucratic activities include keeping formal records, developing and enforcing procedures to govern relations between the bureau and its clients, communicating among parts of the organization, and controlling and evaluating personnel. These activities impose an external cost on citizens because their complexity creates an informational problem for citizens who seek services, because the data required by the bureaucracy come in part from the agency's clients who incur some expense providing them, and because bureaucratic processes are time consuming.

A legislator serves the home constituency in various ways (see Fiorina, pp. 41–49). Legislators collectively decide general issues of public policy by majority rule votes. (We assume that the distribution of voter preferences supports a majority rule equilibrium. While unnecessary, this assumption simplifies our argument.) Each legislator also is a near-monopolistic supplier of unpriced facilitation services to constituents. Facilitation services take several forms: intervening in bureaucratic processes to aid citizens ensnarled in red tape, providing information to citizens who want to know how and where to approach the bureaucracy, and acquiring for constituents a share of "distributive" activities. A government activity is distributive if it is divisible into subactivities, each of which is evaluated and decided upon separately and is beneficial to a rela-

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tively small proportion of the electorate. Examples are federal construction projects, categorical grant programs, and commodity-specific tariffs.

A bureaucracy can assist a legislator in carrying out facilitation. It can accommodate inquiries by the legislator on behalf of constituents by providing information about certain services or by expediting a decision. It can propose, and try to justify, distributive activities in a legislator's home district. A rational bureaucrat will use these possibilities to serve the objectives of the bureau by rewarding legislators who support its programs and appropriations.

If a bureaucracy responds favorably to facilitation activities, it makes legislators more attractive to their home constituencies. Effective facilitation lowers the external costs of bureaucracy and raises the share of government distributive activities to the constituency. The latter is attractive because the taxes used to finance a project in one district are imposed on everyone, whereas the benefits are concentrated. Moreover, performance as a facilitator depends on the personal actions of the legislator, enabling a legislator to claim credit for it (see David Mayhew, pp. 52–59). In contrast the public policy decisions of the legislature are unlikely to be affected by the vote of a single legislator.

One consequence of the preceding argument is that legislators and bureaucrats have an incentive to provide government services in an excessively bureaucratized manner. To do so raises the demand for facilitation services. The electoral process does not check this tendency because voters face a prisoner's dilemma in choosing among candidates. If voters disapprove of excessive bureaucratization, electing a legislator who attacks bureaucratic inefficiency will be unlikely to alter the outcome of a majority-rule legislature, but will produce a less effective facilitator.

As the public bureaucracy grows larger, the importance of the performance of facilitation will grow, and a legislator who is a good facilitator will be increasingly likely to be reelected. A challenger who is unproven as a facilitator is a riskier choice than an effective incumbent, and consequently provides a lower expected payoff in this role. This tendency will be accentuated if a legislator becomes a more effective facilitator over time. Because part of facilitation is the possession and use of information which is acquired through experience, and because seniority enhances the influence of a legislator in determining the fate of an agency, incumbents can be more effective facilitators than their challengers.

II. Applications: Evidence and Predictions

Direct observation of the production function for a government activity is especially difficult, and a test of the primary implication of the theory—that public activities are excessively bureaucratized—is beyond us at present. We offer some indirect evidence, and present other predictions of the theory.

A. *Facilitation and Congressional Elections*

During the early postwar period congressional elections were low information affairs in which most citizens voted according to traditional partisan affiliations that reflected a generalized preference for one party (see Donald Stokes and Warren Miller). Since the early 1960's, the impact of partisan affiliations on congressional votes has been declining. The most important influence to take up the slack is incumbency. The "incumbency advantage" now appears to be 5 to 10 percent in House elections (see Robert Erikson; John Ferejohn) and a few points higher in the Senate (see Warren Kostroski). The incumbency advantage is not a result of post-Wesberry redistrictings favorable to incumbents, nor to increased knowledge of incumbents—despite their greatly increased advertising before a more educated, less partisan electorate (see Fiorina, ch. 3).

Elsewhere (see the authors, 1977) we show that rational incumbents should base reelection efforts on facilitative activities rather than programmatic advocacy. This conclusion follows from the relatively un-

controversial nature of the former and the greater personal effectiveness of the legislator in facilitative activities.

Effective facilitation requires resources, and in the past two decades these resources have increased dramatically. Congressional employment is one example. Several support organizations have been established (Legislative Reference Service, Office of Technology Assessment, Congressional Budget Office). Committee staffs have expanded, and the personal staffs of congressmen have grown from six to a baker's dozen (see Table 1). The ostensible reason for these developments is the growing complexity of governance. Congressmen also argue that this growth offsets an imbalance of expertise between the executive and legislative branches. Perhaps, but another reason may be growth in facilitation activities.

Few solid data exist, but congressmen have greatly expanded their district staff presence (see Table 1), and presumably the staff in Peoria has less to do with legislation than with facilitation. Moreover, rough estimates indicate that even the Washington staff spends more than half its time on facilitation (see Fiorina, p. 59). Other innovations that serve the facilitation role are mobile district offices, allowances for computerized records about constituents, and more paid trips home (representatives had three in 1960 and thirty-two in 1978).

TABLE 1—THE PERSONAL STAFFS OF CONGRESSMEN

	1960	1967	1974
Total staff	2,344	3,276	5,109
Percent assigned to district	14	26	34
Percent district offices open only when congressman is home or after adjournment	29	11	2
Percent congressmen with multiple district offices	4	18	47

Source: *Annual Congressional Staff Directories*, compiled by Charles B. Brownson.

B. *Policy Trends*

Three general implications about the construction and implementation of public policy follow from the theoretical discussion in the first section.

First, because legislators profit from effective facilitation and bureaucrats profit from accommodating legislators, both have an incentive to structure programs so that facilitation is important. A principal way to do this is to inject distributive elements into a program. Expenditure programs, for example, can employ project-by-project decisions or automatic distribution according to a fixed formula. One explanation for Lyndon Johnson's wizardry in steering Great Society programs through Congress was his willingness to use distributive politics to purchase congressional support. In 1964, over one-third of all federal grant programs allocated funds by formula. During 1965 and 1966, the number of grant programs increased by 70 percent, and only about one-sixth of the new programs used allocation formulas (see Advisory Commission on Intergovernmental Relations, p. 151).

Congress can encourage facilitation in ways other than distributive policy making. For example, regulatory legislation can be so vague that an agency must make numerous detailed decisions before implementing it (see Theodore Lowi). Later, oversight subcommittees find it easier to use budgetary review as a lever for affecting regulations than to change a law.

A second implication concerns the increasing acceptance of new programs after they are enacted. While legislative proposals may be controversial, opposition will decline once the program is established. Before enactment no facilitation takes place. If constituents care about a proposed program, they evaluate politicians according to their positions on the issue. Once the program is established, both supporters and opponents need facilitation. A legislator's policy position becomes less important than facilitative abilities. Die-hard legislators who oppose an agency unsuccessfully only succeed in penalizing their districts, perhaps by overt agency actions, but more likely by foregoing what would be their "due" under the

program (see Barry Weingast). Republicans who vote en bloc against new social programs quietly go along with reauthorization (see David Stockman). We suspect that new programs gradually become altered in the direction of distributive politics, which would provide a further reason why programs that initially trigger major political battles gradually become the object of a political consensus.

A third policy implication is the loosening of policy ties between representatives and their constituencies. Because facilitation gives incumbents an electoral advantage, their policy positions are less important in their constituents' evaluation of them. For any given incumbent advantage arising from facilitation, an incumbent may deviate from the position of the median voter by some amount and still expect to defeat a challenger who adopts the median voter's ideal position (see the authors, forthcoming).

The model does not imply that the amount of public goods provided by the government is greater than would be the case in the absence of facilitating activities. Because the public sector adopts inefficient production technologies, the amount of public goods that the median voter desires will be less than if production were at minimum cost; however, the incumbency advantage may offset this effect if the incumbent's policy position moves in the direction of more public goods than the median voter prefers. The incumbent has a generalized incentive to move in this direction because a larger public sector implies a greater demand for facilitation and a correspondingly greater incumbency advantage. Additionally, to move outside the model for a moment, as the policy ties between incumbents and their districts weaken, the former are increasingly at liberty to cooperate with special interests that desire some particular government activity or expenditure.

To summarize, we attribute the increase in the incumbency advantage in congressional elections to the gradual transformation of congressmen from makers of national policy to ombudsmen and grantsmen. The scope of the federal government has expanded during the past two decades, creating greater opportunities for citizens to profit from bureaucratically administered programs, and numerous occasions for citizens to run afoul of bureaucratically promulgated regulations. An incumbent's experience and seniority are an important resource which disappears upon election of a challenger. In this brave new world, citizens have come to attach more importance to the facilitation activities of congressmen (see Roger Davidson).

III. Prospects For Change

The foregoing theory of the legislative process does not work in quite the way that constitutional theory postulates. Our theory simply isolates the incentives facing modern voters, bureaucrats and legislators, incentives created by the institutions within which legislators and bureaucrats act. To change the system requires changing the institutions. Several possibilities are imaginable; none appear likely. From most to least drastic they include:

1. *Remove incumbents' facilitative powers.* This involves slashing staffs and removing the constitutional basis for congressional power over the bureaucracy, making the latter more responsible to the president, who has a national constituency. Of course, this possibility is fraught with the dangers of the imperial presidency.

2. *Change the electoral system for congressmen.* If legislators increasingly are elected for facilitative efforts, legislators are less responsive for their policy positions and *no one is responsible* for legislative policy. Altering this situation probably requires abandoning the single member district. Proportional representation makes a candidate's election depend on the percentage of the vote received by parties nationally rather than each candidate's personal percentage in one district. This makes legislators more dependent on the policy position of the parties, but eliminates representation of particular constituencies.

3. *Lessen incumbents' facilitation responsibilities.* In other countries the

ombudsman role is performed by a special office, rather than by individual legislators. As rational actors American congressmen steadfastly resist suggestions to establish a federal ombudsman. Even mild proposals such as Henry Reuss's Administrative Counsel of the Congress receive quick execution. British MPs, whose facilitation powers and resources do not compare to the American congressman's, approved the creation of the Parliamentary Commissioner for Administration (ombudsman) only after they were made the communication link between constituents and the new office.

4. *Cumulative policy failure.* A long-run prospect for change is inherent in ever less efficient policies that impose ever heavier external costs on citizens. If the situation deteriorates sufficiently, the voter's prisoner's dilemma might be broken: the attempt to elect antibureaucratic legislators could become rational even if failure to elect a majority resulted in losses to the districts which elect them.

Despite the preceding emphasis on prospects for changing the legislative system, we hasten to emphasize that this system has positive aspects. Bureaucracy is permanent, and information about it is valuable. Some argue that facilitation is the only role modern legislators can perform well (see Samuel Huntington). To reach judgments of the costs and benefits of legislative facilitation, we must recognize that facilitation exists and include it in our analysis.

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